# WHAT REQUIRES VE & WHO HAS AUTHORITY ON VE?

http://www.usace.army.mil/ValueEngineering.aspx

**Screening Tool** (Initial Screen)

Utilizes U.S. Funds?

NO → VE Not Req'd

Ref. A & C

YES → VE Require

CUSTOMER — Design Executing Agent? — USACE

Customer is responsible for executing VE.

Customer VE Policy Applicable

Customer Performs VE as Required

USACE is responsible for executing VE. (Ref. D)

USACE VE Policy Applicable (Ref. F)

Authority: USACE - VE Sr. Mgmt Official (Ref. C, D & F)

USACE to verify Customer performed VE prior to advertising

Const. Executing Agent?

Customer responsible for including VE clauses.

USACE responsible for including VE clauses. (Ref. C, D & F)

PROJECTS | PROGRAMS | PROCUREMENTS

**Screening Tool**

DETERMINING VE REQUIRED | WORKLOAD / ANNUAL PLAN

| <$2M | $2M - $10M | ≥$10M |
|---|---|---|
| Ref. H | | |
| VE Not Req'd | VE Required | VE Mandator |
| Optional if grouping of projects is possible for greater ROI -or- VEO determines there is an opportunity | Document VE Study or Low Opportunity in VMP → Delegated Waiver Authority: MSC Value Program Manager | Document VE Study or Waiver in VMP → MP Waiver Authority: HQ, Chief OVE |

**Strategy Selection**

## KEY NOTES/CONSTRAINTS

- Consider grouping like projects into program-wide studies.
- District VEO works with Program Managers to develop the Annual Plan.
- PM must schedule & resource VE studies, document Low Opportunity ($2-$10M) or pursue Waiver (≥ $10M MP only).
- Value Management Plans (VMPs) are developed by the PDT based on the VE Screening tool prepared by the VEO.
- Waivers must be submitted and approved no later than 35% or Waiver will not be considered.
- Waivers are not allowed on CW projects ≥$10M.
- Decision to request waiver shall be made prior to approved VMP/PMP and justification included therein.
- AVS (or equivalent) may facilitate if <$10M, but must follow VM standards and have results validated by QA.
- CVS (or Equivalent) shall facilitate if ≥$10M.
- COS and Programmatic Studies must be updated every 3-5 years.
- VE required on functional & operational requirements of Standard Designs (CoS).
- Standard Design Studies do not negate the requirement for individual Project studies by Geographic District.
- Programmatic studies (or Bundling), ie., Dredging, require MSC VE PgM approval PRIOR to performing.
- MSC VE PgM's with COS/CX responsibilities within their AOR, must ensure COS studies are performed, and COS collects (at least annually) ALL studies performed USACE-wide that are based on their Standard.
- Services (IT, Furnishings, Office, Supplies, etc…) require VE and must be coordinated with MSC VE PgM.

REFERENCES:


A. Pub. L. 111–350, §3, Jan. 4, 2011, 124 Stat. 3718 ; 41 USC 1711 - Value engineering ;
B. Pub. L. 99-662, Water Resources Development Act of 1986, Section 911 ; 33 U.S.C. § 2288, Review of cost effectiveness Conference Report 99-1013
C. Office of Management and Budget (OMB) Circular A-131 (21 MAY 1993)
D. DODI 4245.14, DoD Value Engineering (VE) Program
E. OSD-ATL Letter, Value Engineering (VE) and Obtaining Greater Efficiency and Productivity in Defense Spending (06 DEC 2010)
F. ER 11-1-321 (Change 1), Army Value Engineering (01 JAN 2011)
G. COMMANDER'S INTENT: Greater Efficiency and Productivity through Value Engineering (VE) (25 APR 2012)
H. Lower Limit Threshold (LLT) revised to $2M by Chief, OVE, 13 Feb 2013


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